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**California Partners with FDIC to Address Foreclosure Crisis**  
*FDIC Chair Sheila Bair, City of Los Angeles and State Officials Host Industry and Community Leaders to Discuss Ongoing Efforts to Help Homeowners*

SACRAMENTO – To further Governor Schwarzenegger’s efforts to help curb California’s foreclosure crisis, a roundtable discussion is being held today to discuss current state and federal actions being taken to help keep families in their homes. Hosted by the Governor’s Task Force on Non-Traditional Mortgages and the Federal Deposit Insurance Corporations’ Chair, Sheila Bair, community and key industry leaders convened to review progress and address possible collaborative efforts to strengthen California’s economy.

“The Governor has always said that the foreclosure crisis is a two-way street. It’s going to take lenders and borrowers working together to get us out of this mess,” said Rosario Marin, Secretary of the State and Consumer Services Department and a member of the task force. “Today’s discussion is a great way to share federal and state efforts and to find ways to help Californians keep their homes.”

Mortgage payment defaults in California are at a 15 year high. In 2007, the state accounted for six of the nation’s top 10 metro areas with the most foreclosures. The Governor’s Task Force on Non-traditional Mortgages is taking a three-pronged approach to address the increase in foreclosures: new regulations to protect consumers, enforcement against unscrupulous licensees, and consumer education to help Californians better understand the loan products that are available and the resources that exist to keep them from losing their homes.

“California has been hit particularly hard by skyrocketing foreclosure rates and falling home prices in many areas of the state,” said Sheila Bair, Chair of the FDIC. “Tackling these problems requires coordinated, proactive efforts by state and federal officials. I commend Governor Schwarzenegger for his leadership on this issue and for his commitment to helping troubled borrowers stay in their homes.”

To date, the state has held fifteen mortgage prevention workshops statewide that have provided thousands of homeowners with one-on-one consultations with mortgage counselors and loss mitigation representatives. The workshops aim to educate homeowners about their options should they find themselves facing foreclosure or drastic rate increases and to open the door to loan modifications for those who may otherwise lose their home.

"From the beginning, we knew this effort needed to be a collaboration between the government and private sector to help minimize the impact of the housing downturn on homeowners, neighborhoods and the state's economy," said Business, Transportation and Housing Secretary Dale E. Bonner.

The Governor's Task Force on Non-Traditional Mortgages has hosted over 5,500 people at 16 statewide foreclosure prevention workshops. At these workshops, 2,980 loan holders met one-on-one with loss mitigation representatives to maximize their potential to stay in their homes and continue to grow California's economy.

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